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 Document Number: 1998BOGOTA08152

Page: 1

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CONFIDENTIAL PTO6052

PAGE 01 BOGOTA 08152 152334Z
 ACTION EB-00

INFO	LOG-00	ACDA-08	ACDE-00	INLB-01	AID-00	ARA-01	A-00
	ACQ-01	CA-02	CCO-00	CEA-01	CG-00	CTME-00	INL-01
	DINT-00	DOTE-00	SRPP-00	DS-00	EXIM-01	E-00	FAAE-00
	FBIE-00	FRB-00	H-01	IMMC-01	TEDE-00	INR-00	INSE-00
	IO-00	ITC-01	L-01	ADS-00	MMP-00	M-00	NRCE-00
	NSAE-00	NSCE-00	OCS-03	OES-01	OIC-02	OIS-01	OMB-01
	OPIC-01	PA-00	PM-00	PRS-00	P-00	SCT-00	SP-00
	SSO-00	SS-00	STR-00	TRSE-00	USIE-00	USSS-00	ASDS-01
	EPAE-00	PMB-00	DSCC-00	PRM-01	DRL-04	G-00	NFAT-00
	SAS-00	/035W					

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R 152325Z JUL 98
 FM AMEMBASSY BOGOTA
 TO SECSTATE WASHDC 4113
 INFO DEPT OF ENERGY WASHDC
 SECDEF WASHDC
 USDOC WASHDC
 USCINCSO MIAMI FL
 CIA WASHDC
 DIA WASHDC

C O N F I D E N T I A L BOGOTA 008152

ENERGY FOR HANK SANTIAGO AND DAVID PUMPHREY

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BOGOTA 08152 152334Z
 E.O. 12958: DECL: 07/15/03
 TAGS: EPET, ENRG, ETRD, PTER, EINV, PHUM, PINS, CO
 SUBJECT: OXY TO BUY SHELL'S INTEREST IN CANO LIMON

REF: A) BOGOTA 6091 B) BOGOTA 7526

CLASSIFIED BY CHARGE OLIVER P. GARZA. REASON 1.5 (D).

1. (C) SUMMARY. OCCIDENTAL PETROLEUM WILL BUY SHELL OIL'S SHARE OF THE CANO LIMON CONTRACT, BUT IS HOPING TO KEEP THE

Current Class: CONFIDENTIAL

Page: 1

UNITED STATES DEPARTMENT OF STATE
 REVIEW AUTHORITY: OSCAR J OLSON
 DATE/CASE ID: 02 JUL 2004 200303455

UNCLASSIFIED

Current Class: CONFIDENTIAL
Current Handling: n/a
Document Number: 1998BOGOTA08152

UNCLASSIFIED

Page: 2

Channel: n/a

TRANSACTION A SECRET SO AS TO AVOID FURTHER TARGETING BY GUERRILLA GROUPS. AT LEAST ONE OXY COLOMBIA EXECUTIVE IS NOT OPTIMISTIC ABOUT PROSPECTS FOR PEACE. END SUMMARY.

2. (C) ON JULY 15, EMBOFF MET WITH [REDACTED]

[REDACTED] PRIMARILY, [REDACTED] WANTED THE EMBASSY TO BE ADVISED THAT OXY WON ITS BID TO PURCHASE SHELL'S SHARE OF THE CANO LIMON CONTRACT, A POSSIBILITY OXY EXECUTIVES HAD MENTIONED TO THE AMBASSADOR IN A MEETING REPORTED REF A. BECAUSE OF THE GLOBAL NATURE OF THE TRANSACTION, WHICH INVOLVES OXY-SHELL GOVERNMENT APPROVED ASSET SWAPS IN A NUMBER OF DIFFERENT COUNTRIES, [REDACTED] PREDICTS THAT THE DEAL WILL BE WIDELY REPORTED INTERNATIONALLY; HOWEVER, HE NOTED THAT BOTH OXY AND SHELL ARE HOPING TO KEEP IT AS QUIET AS POSSIBLE WITHIN COLOMBIA.

3. (C) [REDACTED] POINTED OUT THAT THIS MOVE IS GOOD FOR OCCIDENTAL FOR A NUMBER OF REASONS: OIL PRICES ARE LOW, OXY IS ALREADY INVESTED IN THE AREA, THE COMPANY KNOWS COLOMBIA AND IT KNOWS ARAUCA DEPARTMENT. IN SPITE OF ITS ONGOING SECURITY PROBLEMS, [REDACTED] SAID, OXY COLOMBIA REMAINS A TREMENDOUSLY CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BOGOTA 08152 152334Z
PROFITABLE COMPANY, LEADING OTHER OXY COMPANIES IN EFFICIENCY AND COST PER BARREL.

[REDACTED]

5. (C) ADDITIONALLY, THE ELN HAS VERY PUBLICLY CRITICIZED OXY IN THE WEEKS LEADING UP TO PEACE TALKS IN MAINZ (SEE SEPTEL ON ACCORDS REACHED JULY 21), ACCUSING THE MULTINATIONAL OF HUMAN RIGHTS ABUSES AND OF MANIPULATING ITS ACCOUNTS TO STEAL OIL FROM THE COLOMBIAN PEOPLE. AT THIS POINT, [REDACTED]

B4, B6

Current Class: CONFIDENTIAL

Page: 2

UNCLASSIFIED

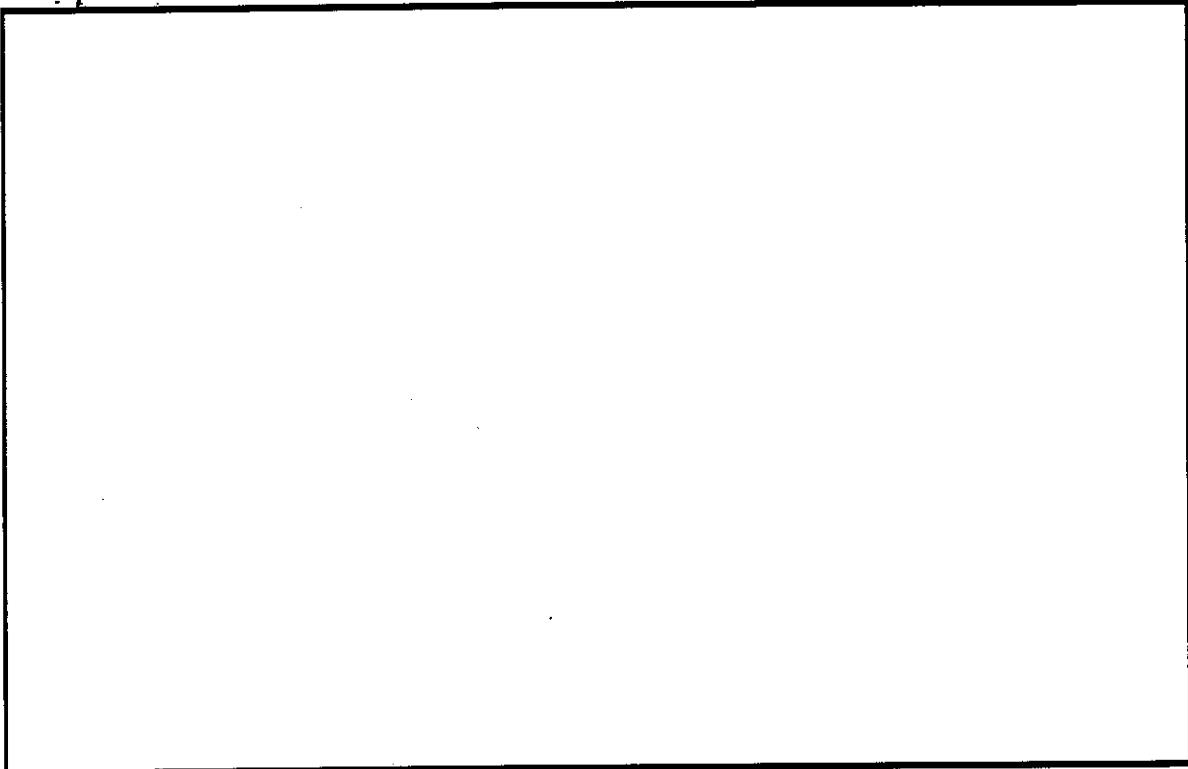
UNCLASSIFIED

Current Class: CONFIDENTIAL
Current Handling: n/a
Document Number: 1998BOGOTA08152

Page: 3

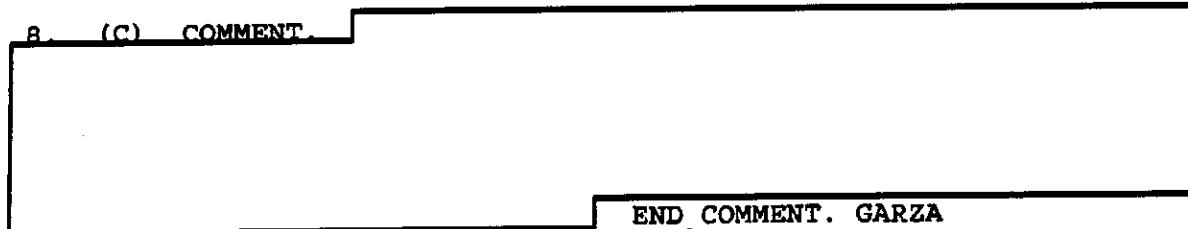
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B4



8. (C) COMMENT

B4, B6



END COMMENT. GARZA

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Current Class: CONFIDENTIAL

Page: 3

UNCLASSIFIED